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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 003725

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TAGS: [PGOV](#) [ECON](#) [CH](#)

SUBJECT: DEATH OF VICE PREMIER HUANG JU TO HAVE LITTLE
IMPACT

REF: A. BEIJING 3117

- [1](#)B. BEIJING 2711
- [1](#)C. BEIJING 2190
- [1](#)D. BEIJING 1790
- [1](#)E. 06 BEIJING 20986
- [1](#)F. 06 BEIJING 3395

Classified By: Political Internal Unit Chief Susan Thornton.
Reasons 1.4 (b) and (d).

Summary

[1](#)1. (C) The death of Chinese Vice Premier Huang Ju on June 2 is unlikely to have an impact on Chinese policymaking, given that he had long been suffering from cancer and already had ceased playing an active role in Chinese politics. Nor should his death greatly upset personnel arrangements for this fall's 17th Party Congress, as he was widely expected to vacate his slot on the Politburo Standing Committee, with no decision on his replacement likely to be made before then. Reflecting past Party practice, official Chinese media have made no comment on funeral services, which probably will be publicized only after the fact and which almost certainly will not require USG representation. End Summary.

Huang Ju's Long-Anticipated Death

[1](#)2. (C) Succumbing to what was reportedly a prolonged illness, Vice Premier Huang Ju died on Saturday, June 2 at 2:03 a.m. in Beijing, according to official Chinese media. Huang, who was 69, had been in charge of economic and financial matters in his capacity as Vice Premier, and was also a member of the Politburo Standing Committee, ranking sixth in China's official hierarchy. As a former Shanghai Party Secretary, he was viewed as a Jiang Zemin protege and "Shanghai faction" member.

[1](#)3. (C) Huang's death comes as no great surprise, as he had been rumored since at least the beginning of 2006 to be suffering from pancreatic cancer (Ref F) and had largely dropped out of public view since then, appearing only periodically in ceremonial events, such as the opening of the National People's Congress and the Shanghai NPC Delegation meeting in March 2007 (Ref D). Reflecting widespread speculation on his health, overseas media outlets last month jumped the gun on Huang Ju's demise, reporting rumors of his death that later turned out to be false (Ref A). This time, in confirming Huang's passing on June 2, Chinese official media neglected to state a specific cause of death beyond Huang's "failing to respond to medical treatment."

Death to Have Little Impact on Policymaking

14. (C) Huang Ju's death is likely to have little impact on Chinese policymaking, given that the Vice Premier had been removed from the day-to-day running of his economic/financial portfolio for some time. After Huang's initial disappearance from public view early in 2006, there was speculation that financial reform was on hold and would remain so until his recovery or passing. While this may have initially been the case, subsequent events suggest that the Party had moved on, assigning HuangJu's responsibilities to other officials.

In September 2006, for example, China passed a new bankruptcy law with potentially significant implications for financial institutions. In November 2006, China released banking regulations for foreign financial institutions, fulfilling a requirement driven by its upcoming five-year anniversary of WTO accession on December 11, 2006.

15. (C) Further reinforcing the impression that Huang had long since officially withdrawn from an active policymaking role, one knowledgeable contact claimed to have seen a secret document from October 2006 with the text of a Politburo decision regarding Huang's status during his illness. The document was entitled "Politburo Decision of October 26, 2007 on Huang Ju's remaining in his position while convalescing," which had allegedly been issued in response to Huang's request to resign. In the document, the Politburo reportedly decided that, in consideration of Huang's request to convalesce, and in the interest of Communist Party unity amidst preparations for the 17th Party Congress and the ongoing corruption investigation in Shanghai, Huang no longer had to participate in Party work, but he was still required to attend certain Politburo meetings and specific ceremonial activities.

16. (C) The most significant event suggesting that China's economic decision makers had moved on in Huang's absence came

BEIJING 00003725 002 OF 002

in January 2007 with the Central Financial Work Conference (CFWC), a key decision making event held every year. The event was reportedly postponed due to Huang's illness, in part because participating ministries were unable to conclude preliminary decisions to be brought to the table and announced at the event itself. However, once the decision was taken to move forward with the CFWC, it became apparent that economic policy makers were fully back in action, with State Council Secretary General Hua Jianmin largely assuming Huang Ju's role at the event (and other commentary at the time speculating that Premier Wen had taken over Huang's portfolio and was relying extensively on Hua and others to help with this coverage).

Replacement: Decision Before Party Congress Unlikely

17. (C) Although Huang's death may ignite further speculation about senior leadership changes at the 17th Party Congress, his passing is unlikely to significantly influence personnel considerations. A range of post contacts have long said that Huang was "almost certain" to depart the Politburo this fall anyway (Refs B and C). Regardless, it is anticipated that no replacement for Huang on the Politburo will be announced until the conclusion of the Congress itself this fall.

No Word Yet on Funeral Services

18. (C) Reflecting past Party practice, official Chinese media have made no announcements on funeral services for Huang, which will likely be publicized with great fanfare only after the fact. Whatever services are held almost certainly will not require USG representation.
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